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STATEMENT BY
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NATIONAL AERONAUTICS AND SPACE ADMINISTRATION
ON H.R. 7377
BEFORE THE
SUBCOMMITTEE ON MANPOWER UTILIZATION
COMMITTEE ON POST OFFICE AND CIVIL SERVICE
U. S. HOUSE OF REPRESENTATIVES
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MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I appreciate the opportunity to appear today in support of H.R. 7377, particularly as it relates to providing better management in Government through increases in the number of positions in the top grades authorized by the Classification Act of 1949, and through increases in the excepted positions which involve heavy responsibility for research and development in urgent Government programs.

The National Aeronautics and Space Administration is now faced with the problems of increasing its present level of effort by more than 50 percent in 1962 and increasing that level by almost 100 percent in Fiscal Year 1963. Approximately 80 percent of the work which we must do in order to achieve the earliest possible exploration of the moon, and continue our other space activities, will be done under contracts with private industries and non-governmental scientific institutions. Practically all of this work will be at the very forefront of modern science and technology.

What this country will be attempting to do will in most cases be out in front of anything heretofore undertaken.

Further, the Space Act imposes on us an additional responsibility to see that the lessons we learn and the benefits which can be derived from our very advanced technology are made available to industry in such a way

as to expedite their application in whatever areas they can benefit our economy. These benefits can be enormous. All of this means that in the planning, in the organization, in the execution, in the follow-up and evaluation, and in the application of new things learned from experience as we progress, we simply cannot afford to have in our top positions of leadership anything but the best which the country has to offer.

Since World War II, it has been my privilege to serve in the Bureau of the Budget, the State Department, and now the National Aeronautics and Space Administration. Therefore, I have had an opportunity to see, over an extended time, the results of a pay structure for top executive and technical positions which was inadequate to retain in the Federal service many of its most effective and promising executives. Since World War II, there has been an increasing differential between governmental salaries for such positions and outside opportunities available to our country's ablest executives and technical leaders. The result has not only been a steady drain away from the very large and important programs of the Federal Government--on which, in many cases, our future as a nation depends--but a steady impairment of those incentives which attract into Government service able younger men who can replenish the talent bank that is so steadily being drawn upon.

In the years following World War II, many very capable men who had served during war time felt they had done their duty and left for better opportunities outside Government. To meet this problem the Classification Act of 1949 was enacted to permit three additional grades above GS-15 for at least a limited number of top career positions in the executive branch. This same act also enlarged the authorization to employ scientists and engineers at special higher rates of pay, although again in limited numbers. I believe this new approach

to career salaries in the top echelons of Government made a big difference at the time in slowing up the loss of key civil service personnel to industry.

The 1949 Act did not, of course, eliminate the problem entirely because the new salary scales were still appreciably below the outside compensation, and the number of such positions authorized was quite limited. Nevertheless, this was a legislative landmark in Federal personnel administration. The subsequent increases in the number allowed and the subsequent adjustments in the pay scales have made it possible to retain in the public service many outstanding men and women.

The present requirements reflected in H.R. 7377 are the result of careful and independent study by the several agencies, the Civil Service Commission, and the Bureau of the Budget. Therefore, this request reflects a conservative assessment of what is required in the immediate future to assure continued successful leadership in the execution of the important programs on which our position as a nation depends.

Regardless of how we got there and whether we like it or not, our country is in an all-out competition to prove the merits of our social, economic, and political system. Unless our national programs in such areas as defense, atomic energy, medical research, space exploration, and many others succeed, we cannot maintain our position of leadership in the world. If the other nations of the world, whether friend or foe, find that we are ineffective in carrying out the things we undertake to do, the problems we face today will be increased manyfold. On the other hand, if we can attract into the leadership of our main governmental programs the best we have in America, we can prove an effectiveness that will attract the support and help of other nations and make the next steps easier and more manageable.

The necessity for men and women of high ability and capacity in positions of leadership in Government has become increasingly evident. New Government functions, and many of the older functions as well, now depend upon thorough understanding of science and technology. Their execution requires an effective relationship between Government and large segments of American industry. Under the circumstances, it is crucial that the Federal service be assured a means of attracting and retaining professional and executive talent with competence to deal with the public interest under even more complex conditions. The quality of technical and managerial talent which American industry finds it needs, and for which it is willing to pay well, is high. Yet the responsibilities which industry places upon such officials are far less than those we place on the individuals in high career positions in the public service.

The Federal Government today is the largest employer of professional and executive manpower in this country. Its key note in utilizing technological progress to implement domestic and international goals is of growing significance. In the last fifteen years there have emerged major research and development efforts in each of the fields I mentioned earlier: ballistic missiles, atomic energy, medical research, space exploration, and others. The largest part of the total effort takes place in industry, in universities, and other non-profit, non-governmental institutions. But large-scale programs of this character undertaken by Government cannot be conceived and organized, nor can they be efficiently managed and properly evaluated, unless the Government agencies themselves have career employees who are, professionally and managerially, fully as experienced and knowledgeable as the distinguished leaders in industrial and academic life with whom they must deal. Industry compensation, generally speaking, ranges from 25 percent to 100 percent more than the Government salaries for equivalent responsibility.

Personally, I do not feel as keenly as others may, that this is a sacrifice for individuals who have earned a high salary in industry and then answer a call to Government service. On the other hand, I do feel that an adequate career service cannot be built within Government if promotional ladders are cut off at GS-15 while official responsibilities continue to increase far beyond the authorized compensation. The public service clearly requires a level of executive and professional competence equal to or above that required by industry.

There are satisfactions and challenges in Government work which can be found nowhere else in our society. These will attract and hold many of the best men, even though the salaries paid may not be competitive with those offered outside. But the nation loses whenever the disparity in compensation reaches a point where the career servant feels that his increasing responsibilities are being ignored, and that his salary is based on an inadequate or unfair limitation on authorized positions rather than on an equitable criteria which relates his job to others in the Federal establishment and to outside opportunities, at least to some degree.

I should like to assert my strong belief that it is in the public interest to recognize the importance of paying adequate compensation for the key career leadership in the executive branch. At the same time, it must be recognized there are practical difficulties in creating a salary structure in Government which would be fully competitive with private industry. The steps proposed in H.R. 7377, which liberalize the number of executives who can be considered for the top three grades, will be a great forward step.

Turning now to the problems of the National Aeronautics and Space Administration, it is of great importance to protect our present highly qualified staff from the competitive inroads of industry. Under the program for space exploration proposed by President Kennedy, we must undertake a rapidly increasing load of development in rockets and space craft capable of carrying teams of men into space and to the moon. Our predecessor agency, the National Advisory Committee for Aeronautics, lost irreplaceable engineers in the late 40's and early 50's when the aeronautical industry rushed to convert aircraft for the jet age. At that time, the salary differentials between the NACA and the aircraft industry were simply too great. Government cannot afford to let this be repeated on any wide scale again.

H.R. 7377 contains a special section amending Sec. 203(b)2 of the National Aeronautics and Space Act. It proposes an increase of 50 positions in the number of key professional or administrative posts which the Administrator may compensate at rates up to $19,000. This would change the present National Space Act provision of 290 such excepted positions to 340.

At the time the Administration first determined its requirements for positions under this bill, President Kennedy had completed only a preliminary review of the national space program. He had determined to increase the FY 1962 budget request by $126 mission beyond the $1,109.6 million recommended by the previous Administration. The request for 50 more NASA positions was in line with that decision.

Since that time, as we all know, the successful manned space flights of both Gagarin and Shepard have demonstrated the opportunities for rapid progress in manned space exploration. These exploits have also demonstrated

the extent to which progress in space is keenly watched by the entire world as an evidence of over-all technical and scientific strength. Accordingly, on May 25, President Kennedy recommended a further increase of $536 million for FY 1962, and on June 6 approved the need for 135 additional excepted NASA positions, rather than the 50 originally approved. This would provide a total of 425 excepted positions, rather than the 340 as shown in the original bill before this Committee.

Within the present authorization of 290 excepted positions, 13 may be compensated up to $21,000, and the rest at rates up to $19,000. In the recent change to 425 positions, the request is to compensate an additional 17, making a total of 30 such positions authorized above $19,000 but not more that $21,000. In my judgment, the increase of 135 new jobs, including 17 which could be paid up to $21,000, is essential to meet the critical staffing needs NASA must fill during the next eighteen months.

Initially a decision was made to add the excepted position language to the FY 1962 NASA authorization bill (H.R. 6874) rather than H.R. 7377, in order that the Congress might appraise this request at the same time it considered the accelerated program of funding as recommended by President Kennedy. More recently, arrangements were made by the Senate leadership to have the request considered directly by the Post Office and Civil Service Committees; furthermore, I understand that Chairman Macy has advised your Committee by letter of June 19, 1961, that H.R. 7377 should be considered in the light of an Administration request for 135 rather than 50 NASA excepted positions.

The Bureau of the Budget and the Civil Service Commission have given their full support to revising the present legislation to include the additional

135 excepted positions. At the request of the Senate Aeronautical and Space Sciences Committee, the letter of June 19 from Chairman John Macy evidencing this support was submitted to the Chairman of that committee, to your Chairman, and to the Chairman of the Senate Post Office and Civil Service Committee. Since that time, the President's program has been accorded the full support of the Congress in its passage last week of the NASA Authorization Act at the full level of $1,784,300,000 as requested by President Kennedy.

Now getting this type of technological development under way rapidly calls for the most resourceful efforts of the NASA. Research and development teams are never easy to organize; this type of work takes care and time and calls for the highest of mature technical and managerial skills. Doing this under an accelerated schedule means that we must attract very able additional men into the program. Many of these we hope to obtain from outside the Government; at the same time, we must hold those who are trained inside the NASA and who now, after a long threshold at the GS-15 level, will seek more highly paid outside positions unless we can put them on even more responsible work at better pay.

It is a matter of considerable urgency that NASA begin the recruiting and the selection of individuals for these additional positions, particularly in the projects affecting the manned lunar landing and nuclear rocket engine developments. No leeway for this is available within the current 290 positions. At the present time (July 10) there are 276 excepted positions filled, and 11 obligated for approved positions, or a total of 287 out of the 290 authorized.

The accelerated national space program recommended by the President calls for one of the greatest technological efforts, if not the greatest single

R&D efforts, our country has thus far undertaken. We can do this job, do it well, and gain immeasurably in the process. But we cannot afford to invest the billions of dollars this program will involve over the next decade without assuring ourselves an adequate number of the very best technical and managerial talent this country can produce.

Thank you, Mr. Chairman.